

Easterling, Deborah

232733

From: Butler, David
Sent: Monday, October 10, 2011 3:59 PM
To: samaf82@bellsouth.net
Cc: Easterling, Deborah; 'Hudson, Shannon'; 'Edwards, Nanette'
Subject: Answers to Questions forwarded by Mr.docx - Duke - Docket No. 2011-271-E
Attachments: Answers to Questions forwarded by Mr.docx

Mr. Hughes:

Attached please find answers to the procedural questions asked by you with regard to the upcoming evening public hearings. If you have further specific questions, please call the Office of Regulatory Staff at (803)-737-0575, which is the number for Ms. Nanette Edwards. She or her designee may be able to answer further questions that you may have. Of course, the Commission Staff is limited to discussing matters of procedure, such as the issues raised by your written questions.

Thanks,

F. David Butler
Senior Counsel

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MAIL / DMS

Questions forwarded by Mr. Guy S. "Sam" Hughes:

Question:

1. Since most people probably know very little about the Public Service Commission's duties and responsibilities, will there be an effort at the beginning of the hearings to inform Duke's customers exactly what the commission's duties and responsibilities are and why the hearing is being held?

Answer:

There will be a statement at the beginning of the hearing from the bench at the beginning of the hearing as to the purpose of the hearing, with a general explanation of the procedure, and how the testimony is to be used. The Commission does state that the public testimony, with all the other evidence, contributes to its decision on the rate case, and, in that way, a statement is made, referring to the Commission's responsibilities.

Question:

2. Will there be representatives from Duke Energy there to accept questions and comments from their customers? If not, shouldn't they be there catching flak instead of the commission? After all, they (Duke) are proposing the rate increase.

Answer:

Representatives from Duke Energy and the Office of Regulatory Staff will be present at the hearing to answer questions from the public before or after the hearing. The Commission cannot answer questions from the public, but will be present to listen to customer testimony and receive their input regard the proposed rate increase.

Question:

3. Why were the customers notified of the hearing by Duke Energy instead of being notified by the commission? Shouldn't this be a responsibility of the commission?

Answer:

Notification of the hearing by Duke Energy is consistent with Commission procedure. The Company has access to specific customer information, whereas the Commission does not.

Question:

4. There is verbage in the notification about testimony being given under oath and appears to be an attempt by Duke to possibly intimidate some people to keep them from attending. Why couldn't this wait to be announced right at the beginning of the hearings before any customer speaks?

Answer:

There is no intimidation intended by mention of the testimony being given under oath. It is simply an attempt to emphasize the seriousness with which the Commission receives the testimony, and the fact that it is made a part of the hearing record, just as the sworn testimony of the various experts is made a part of the record.

Question:

5. How does any utility customer know that the Public Service Commission represents them instead of the utility provider who has requested the rate increase?

Answer:

Under Act 175 of 2004, the Commission is a Court-like entity, and therefore, does not represent any party in the proceeding before it. The role of the Commission is simply to hear all of the testimony from the representatives of the different interests, and make a decision, based on the evidence. The Office of Regulatory Staff is an automatic party in every case, and that Office is charged with representing the public interest before the Commission.

Question:

6. Are there provisions or safeguards in place which forbids/prevents members of the commission and any member of their immediate family from investing in the utility provider in the way of stock purchases or any other form of investment into their finances?

Answer:

The Commissioners are governed by both the Code of Ethics and the Code of Judicial Conduct, which govern Commissioners' financial interests. Although Commissioners family members are not governed by these Codes, the Code of Judicial Conduct requires that a Commissioner avoid the appearance of impropriety in all activities.

Question:

7. Generally it has been my observation over years and in several states that each and every time any and all utility providers ask for a rate increase, there is some increase always granted in spite of testimony and complaints against that particular provider. What is to prevent this from happening this time around with Duke's request for rate increase?

Answer:

With regard to the observation expressed and question asked in Question No. 7, it is not possible to comment, except to state that the Commission will hear evidence from all parties in the case, and members of the public, and it will make a decision based on the evidence that it hears.

Question:

8. Since Duke Energy is a large corporation and now produces electricity in several states, how does the commission separate and verify that Duke's rate increase request is justified bases on their Carolina operations only?

Answer:

The Office of Regulatory Staff has auditors that examine Duke's books and records. That Office examines where the expenses proposed by the Company originate

and makes a recommendation to the Commission, based on its audit. In other words, the auditors attempt to separate expenses for South Carolina.

Question:

9. Does Duke Energy try to compare their kilowatt costs of electricity use with several other smaller utility providers in the area concerned and tout the fact Duke's costs are still lower than their competitors as partial justification of a rate increase? If so, this is impossible since many of the smaller electrical providers buy electricity from Duke wholesale and sell it retail to their own customers. Two immediate examples are REA and Easley Combines Utilities. I believe neither of these produce electricity and purchase from Duke, so definitely no comparable costs with them should be allowed. I am positive there are also others!

Answer:

Cannot answer this inquiry. It should be directed to Duke Energy.

Question:

10. Since many of Duke's customer's will be working, taking care of families and other duties, its going to be impossible for all who would like to be able to attend one hearing. Some don't have computers and even some cannot afford gasoline to drive to the hearing locations. What other avenue do these people have which will allow them to voice an opinion, express a complaint, or even offer a compliment for Duke's service?

Answer:

With regard to opportunities to be heard, there are evening public hearings scheduled for Spartanburg, Lancaster, Anderson, and Greenville. Generally, the Commission also takes public testimony if necessary at the beginning of the public rate hearing in Columbia. Beyond these hearing opportunities, if a Duke customer is unable to attend a hearing, that customer can also file a written protest directly with the Commission to express an opinion, pro or con, although, by law, that does not become a part of the record reviewable by the Commission when considering the rate case. Only oral testimony at a hearing becomes part of the record. However, the Commission does have a written complaint procedure for specific complaints against the Company, which is available after a Duke customer has filed a complaint with the Office of Regulatory Staff, and that Staff has processed and finished with that complaint. These complaints may be heard by a Hearing Examiner appointed by the Commission. Both Protest and Complaint forms are available on the Commission's website. If a customer does not have a computer, he or she can call in, and the Commission Staff will arrange to get them a paper version of the forms.

Easterling, Deborah

From: Easterling, Deborah
Sent: Monday, October 10, 2011 11:36 AM
To: 'sam'
Subject: RE: Questions for the Commission--- Follow on Question

Dear Mr. Hughes:

This is to acknowledge receipt of your email.

I am forwarding your email to our Legal Staff for response.

Please let me know if you should require any additional information.

Sincerely,
Deborah Easterling
803-896-5133

From: sam [<mailto:samaf82@bellsouth.net>]
Sent: Thursday, October 06, 2011 7:25 PM
To: Contact
Cc: samaf82@bellsouth.net
Subject: Questions for the Commission--- Follow on Question

When I sent my previous nine questions to the Commission I inadvertently omitted one and would like to add it to the list.

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To whom it may concern:

Since many of the Duke Energy customers have been notified of upcoming hearings concerning their request for a rate increase, myself included, the notification has generated some questions on my part, and hopefully for others.

1. Since most people probably know very little about the Public Service Commission's duties and responsibilities, will there be an effort at the beginning of the hearings to inform Duke's customers exactly what the commission's duties and responsibilities are and why the hearing is being held?

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4. There is verbage in the notification about testimony being given under oath and appears to be an attempt by Duke to possibly intimidate some people to keep them from attending. Why couldn't this wait to be announced right at the beginning of the hearings before any customer speaks?

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6. Are there provisions or safeguards in place which forbids/prevents members of the commission and any member of their immediate family from investing in the utility provider in the way of stock purchases or any other form of investment into their finances?

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The above are just a few immediate questions I have concern about and will appreciate responses to them.

Sincerely,

Guy S. "Sam" Hughes
108 Quartermein Court
Piedmont, S.C. 29673
samaf82@bellsouth.net

Easterling, Deborah

From: sam [samaf82@bellsouth.net]
Sent: Wednesday, October 05, 2011 3:11 PM
To: Contact
Cc: samaf82@bellsouth.net
Subject: Questions for the Commission

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samaf82@bellsouth.net